

Austerity in Government Expenditure

49. SHRI C.M. IBRAHIM: Will the Minister of FINANCE be pleased to state:

(a) whether with a view to bridging the widening deficit in the Budget, Government had adopted a comprehensive plan to enforce austerity in Government expenditure;

(b) if so, the details of the austerity measures adopted thereunder and the economy so far affected thereby, item-wise indicating the saving in Government expenditure effected during 2000-2001, thereby; and

(c) what further steps are contemplated in this direction?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) It is Government's constant endeavour to contain non-plan, non-developmental expenditure. It is in this context that, alongwith other measures, instructions for austerity in Government expenditure have been issued from time to time. The austerity measures include ban on the creation of posts, reduction in the number of sanctioned post, restrictions on the filling up of vacant posts, reduction in office expenses, restrictions on purchase of vehicles, restrictions on foreign travel and on entertainment/hospitality expenses etc. Considering the factors which contribute to the fiscal and revenue deficits, austerity measures alone can have only a limited impact on the size of these deficits. As the information is not maintained centrally, it is not possible to quantify saving on account of issuance of economy instructions.